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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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SUBJECT: Nasser's Next Moves

1. On the anniversary of the nationalization of the Suez Canal Company, Egypt's President Nasser finds his position and prestige more severely challenged than it was a year ago. His policy and outlook are believed to be essentially unchanged, although he probably now regards the US not only as his challenger but as a successful opponent. his newly elected Parliament is likely to be the occasion for Nasser's speech on the 23rd of July before an attempt to regain the initiative but it is believed probable that instead of relying on a single dramatic bombshell Nasser is likely to inaugurate a drive to restore Arab unity and his leadership by a series of moves forcing Saudi Arabia and Jordan to take the Arab side against the US on the issue of Israel.

2. Not only does current evidence indicate the probability that Nasser will continue to resist Western influence and the friends of the West in the Arab area, particularly insofar as they challenge his own doctrine and practice of neutralism, but it also points to the probability that Nasser considers this a propitious moment for a full-scale counter-attack. Nasser has not been passive during the

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past four months while Saudi Arabia and Jordan have openly flaunted his leadership and policy, but it is probable that he has not made the fullest possible use of capabilities for trouble making [REDACTED]

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[REDACTED] He probable now believes that there has been a slackening of enthusiasm, a falling off of assurance, an increase of diffidence among the anti-Nasser forces. He certainly has noted Iraq's failure to assume leadership, its unwillingness to support Jordan financially and its new Prime Minister's eagerness to talk about the restoration of Arab unity. He has also noted the Jordanian Foreign Minister's wavering. He knows how little support King Saud and King Hussein have gotten for their new policies within their own countries and that both of them are vulnerable to the charge of associating with Israel's chief supporter and to appeals for Arab unity. As a consequence Nasser probably believes that the trend against him has lost momentum and that the time has come to try to reverse it.

3. In a campaign to reverse the recent gains of US policy and to seize the initiative in the Near East once again Nasser could choose among several opportunities for trouble-making:

A. Saud's position: Nasser probable regards Saud's defection from the ESS Pact relationship and his policy of co-operation with the US as the most important challenge to his position. He probably also believes that destroying Saud's

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new relationship with the US would do more to damage the new US position in the area than anything else he might do and that this alone might force King Hussein to shift back to an Arab nationalist pol

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Nasser probably believes that if he could confront Saud with a clear choice between the Arab position and a US stand identical with that of Israeli on a public Arab-Israeli issue, Saud would have to renounce the US. The clearest promise of an opportunity to do this, of course, is now to be found in the Gulf of Aqaba navigation question.

B. The Gulf of Aqaba situation: The Egyptian regime has always interpreted the Aqaba question as an Arab-Israeli issue, the question being whether Israel is to make another gain in its struggle to establish an economically viable state. Nasser has been exerting very subtle but effective pressure upon Saud, who has made it clear that he accepts Nasser's interpretation of the Aqaba issue. Just how Nasser could most effectively

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exploit this situation to get an open break between Saud and the US is not clear, but almost any aggravation of the situation is likely to serve his purpose and the more serious the aggravation the more welcome and useful it is likely to be to Nasser. Nasser might himself seek to create a crisis over which the US and Saud would be bound to differ by blockading the entrance to the gulf or introducing his own naval craft into the gulf and interfering with Israeli shipping.

C. King Hussein's position in Jordan: Nasser is certainly aware of the numerous and sizeable forces of opposition within Jordan to King Hussein's recent course of policy. Although he probably has, or could develop, the capability of inducing a coup in Jordan, he probably would fear that the aftermath would be no more favorable to his interests than to those of the West. He would probably prefer the advantages of an open disavowal by King Hussein of his association with the US and his return to the Arab nationalist fold. Nasser will probably seek to influence this development by playing hard on the Arab unity theme and declaring his willingness to accept Hussein back on the old terms. Most important, however, is likely to be an attempt to use the Israeli issue for the classic purpose of drawing the Arabs together. By inducing a few major incidents on the Israeli-

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Syrian and/or the Israeli-Jordan border, for which he probably has the capability. Nasser probably believes he could draw Jordan and Syria together and place a serious strain on Jordan's relationship with the US. Nasser certainly does not now want a war between Israel and any Arab state, but there have been numerous incidents in the past sizeable enough to accomplish his purpose which did not result in war. He may also believe that the US and UN would intervene in time to prevent disaster overtaking the Arabs involved. If Nasser were to seek to make serious trouble for Hussein within his country he has at hand the ready expedient of persuading the Syrians to close their border with Jordan, thus choking Jordan's economy.

4. Among less spectacular means by which Nasser might make trouble for the West and the friends of the West in the area are the following:

A. Exploitation of the Arab refugee problem: Nasser has recently sought to make propaganda of reports of negotiations to re-settle some of the Arab refugees. Rumors or evidence of such efforts, particularly when they involve collaboration between Jordan on the one hand and Iraq, Israel and the US on the other, will certainly be used for the same purpose again as opportunity occurs.

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B. Attacks on schemes to control Arab oil: Nasser might attempt to bring Saud, Jordan and the Lebanon into line with Syria and Egypt by denouncing a plot in which Iraq and Turkey were said to be involved with the Western powers to transport Arab oil to the Mediterranean across Turkey, thus bypassing Jordan, Syria and Lebanon. Nasser might propose an Arab oil council to control the exploitation of Arab oil by non-Arabs. Saud would certainly oppose such a scheme but he might find it embarrassing to do so.

C. Conflict between Yemen and the UK forces in Aden and other Arabian Peninsula positions: By inducing conflict between Yemen, with its new Soviet arms, and UK forces in Aden Nasser might hope to force Saud to line up with the other Arab states against the British in the Peninsula and "Western imperialism" in general. This would not necessarily mean that he would abandon his efforts to rebuild/<sup>Egyptian</sup>trade with the UK.

5. It seems unlikely at this time that Nasser would use a demand for the departure of the UNEF as a move in a campaign against the West. Sooner or later Nasser will certainly make such a demand, but it is probable that at the present time he feels that the protection which the UNEF gives him against Israel is an advantage.

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6. It is possible but unlikely at this time that Nasser would seek to show his independence of the West by announcing a new and closer relationship with the Soviet Bloc. Nasser might announce new agreements on trade or economic and technical assistance, or the visit of Soviet leaders to Egypt, but he probably continues to believe that his neutrality formula has more political appeal than a client status in the Soviet orbit would have.

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7. Nasser is certainly capable of using his speech at the opening of his new Parliament on 23rd July as he did the speech of 26th July last year to make a single violent gesture of defiance, but it appears to be more likely that he will answer the much more complex challenge with which he is now confronted by inaugurating a diversified campaign to regain the initiative. The speech will almost certainly deal with domestic as well as with external matters. It is likely that Nasser will argue that the establishment of the new Parliament marks the progress of his regime toward the fulfillment of its promises to the Egyptian public and that he will announce the civilianization of his Government.  Nasser is likely to blame the problems and difficulties with which Egyptians are faced upon sinister foreign influences, thus exonerating his Government and leading into the main theme of the speech. This is likely to be a plea for Arab unity which might be reinforced with announcements of plans for a meeting of Arab chiefs of state with an agenda including the Aqaba problem and a series of announcements and proposals designed to put Saud and Hussein on the spot and induce them to abandon their policies of cooperation with the US. This appeal for Arab unity would certainly be accompanied by charges of sinister plottings against the integrity of the Arabs by would-be exploiters of the area, among which the US will occupy the place of honor.

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